

## INITIATIVE 215

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 215 to the Legislature is a true and correct copy as it was received by this office.

1       AN ACT Relating to property; amending RCW 84.52.065, 84.48.080, and  
2       84.52.010; adding a new section to chapter 43.88 RCW; adding a new  
3       chapter to Title 8 RCW; creating a new section; and declaring an  
4       emergency.

5       BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

6       NEW SECTION.   **Sec. 1.**   The people find that property taxes have  
7       become increasingly burdensome and that a reduction in the state  
8       property tax will relieve the burden on the taxpayers. The people also  
9       find that there should be fairness in property regulations, and that  
10      the burden of providing for open space and wildlife habitat should be  
11      shared equally, in the same manner that the burden is shared by the  
12      public to provide for highways, schools, and other public facilities.  
13      The people intend this measure to provide that fairness in  
14      providing public benefits. In addition, it is the intent of the people  
15      to provide for property tax relief from the state, without allowing  
16      other governments to replace the state property tax with additional  
17      local property taxes that are not approved by local voters.

1 Finally, the people intend to protect education funding from any  
2 reductions or threats of reduction that may be proposed or suggested in  
3 response to this measure.

4 **Sec. 2.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to  
5 read as follows:

6 Subject to the limitations in RCW 84.55.010, in each year the state  
7 shall levy for collection in the following year for the support of  
8 common schools of the state (~~((a tax of three dollars and sixty cents))~~),  
9 for taxes levied for collection in 2000 and 2001, a tax of one dollar  
10 and eighty cents per thousand dollars of assessed value and, for taxes  
11 levied for collection in 2002 and thereafter, zero dollars per thousand  
12 dollars of assessed value upon the assessed valuation of all taxable  
13 property within the state adjusted to the state equalized value in  
14 accordance with the indicated ratio fixed by the state department of  
15 revenue.

16 As used in this section, "the support of common schools" includes  
17 the payment of the principal and interest on bonds issued for capital  
18 construction projects for the common schools.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.88 RCW  
20 to read as follows:

21 The legislature shall not reduce per-pupil funding or programmatic  
22 funding for public education, consistent with Article IX, sections 1  
23 and 2 of the state Constitution, until such time as the legislature has  
24 fully funded or repealed mandates to local school districts, and not  
25 prior to the 2003 legislative session.

26 **Sec. 4.** RCW 84.48.080 and 1997 c 3 s 112 (Referendum Bill No. 47)  
27 are each amended to read as follows:

28 (1) Annually during the months of September and October, the  
29 department of revenue shall examine and compare the returns of the  
30 assessment of the property in the several counties of the state, and  
31 the assessment of the property of railroad and other companies assessed  
32 by the department, and proceed to equalize the same, so that each  
33 county in the state shall pay its due and just proportion of the taxes  
34 for state purposes for such assessment year, according to the ratio the  
35 assessed valuation of the property in each county bears to the correct  
36 total assessed valuation of all property in the state.

1 First. The department shall classify all property, real and  
2 personal, and shall raise and lower the assessed valuation of any class  
3 of property in any county to a value that shall be equal, so far as  
4 possible, to the correct assessed value of such class as of January 1st  
5 of the current year, after determining the correct appraised value, and  
6 any adjustment applicable under RCW 84.40.0305 for the property, for  
7 the purpose of ascertaining the just amount of tax due from each county  
8 for state purposes. In equalizing personal property as of January 1st  
9 of the current year, the department shall use the assessment level of  
10 the preceding year. Such classification may be on the basis of types  
11 of property, geographical areas, or both. For purposes of this  
12 section, for each county that has not provided the department with an  
13 assessment return by December 1st, the department shall proceed, using  
14 facts and information and in a manner it deems appropriate, to estimate  
15 the value of each class of property in the county.

16 Second. The department shall keep a full record of its proceedings  
17 and the same shall be published annually by the department.

18 (2) The department shall levy the state taxes authorized by law.  
19 The amount levied in any one year for general state purposes shall not  
20 exceed the lawful dollar rate on the dollar of the assessed value of  
21 the property of the entire state as equalized under this section. The  
22 department shall apportion the amount of tax for state purposes levied  
23 by the department, among the several counties, in proportion to the  
24 assessed valuation of the taxable property of the county for the year  
25 as equalized by the department: PROVIDED, That for purposes of this  
26 apportionment, the department shall recompute the previous year's levy  
27 and the apportionment thereof to correct for changes and errors in  
28 taxable values reported to the department after October 1 of the  
29 preceding year and shall adjust the apportioned amount of the current  
30 year's state levy for each county by the difference between the  
31 apportioned amounts established by the original and revised levy  
32 computations for the previous year. For purposes of this section,  
33 changes in taxable values mean a final adjustment made by a county  
34 board of equalization, the state board of tax appeals, or a court of  
35 competent jurisdiction and shall include additions of omitted property,  
36 other additions or deletions from the assessment or tax rolls, any  
37 assessment return provided by a county to the department subsequent to  
38 December 1st, or a change in the indicated ratio of a county. Errors  
39 in taxable values mean errors corrected by a final reviewing body.

1 In addition to computing a levy under this subsection that is  
2 reduced under RCW 84.55.012 or section 2, chapter ---, Laws of 1999  
3 (section 2 of this act), the department shall compute a hypothetical  
4 levy without regard to the reduction under RCW 84.55.012 or section 2,  
5 chapter ---, Laws of 1999 (section 2 of this act). This hypothetical  
6 levy shall also be apportioned among the several counties in proportion  
7 to the valuation of the taxable property of the county for the year, as  
8 equalized by the department, in the same manner as the actual levy and  
9 shall be used by the county assessors for the purpose of recomputing  
10 and establishing a consolidated levy under RCW 84.52.010.

11 (3) The department shall have authority to adopt rules and  
12 regulations to enforce obedience to its orders in all matters in  
13 relation to the returns of county assessments, the equalization of  
14 values, and the apportionment of the state levy by the department.

15 (4) After the completion of the duties prescribed in this section,  
16 the director of the department shall certify the record of the  
17 proceedings of the department under this section, the tax levies made  
18 for state purposes and the apportionment thereof among the counties,  
19 and the certification shall be available for public inspection.

20 **Sec. 5.** RCW 84.52.010 and 1995 2nd sp.s. c 13 s 4 are each amended  
21 to read as follows:

22 Except as is permitted under RCW 84.55.050, all taxes shall be  
23 levied or voted in specific amounts.

24 The rate percent of all taxes for state and county purposes, and  
25 purposes of taxing districts coextensive with the county, shall be  
26 determined, calculated and fixed by the county assessors of the  
27 respective counties, within the limitations provided by law, upon the  
28 assessed valuation of the property of the county, as shown by the  
29 completed tax rolls of the county, and the rate percent of all taxes  
30 levied for purposes of taxing districts within any county shall be  
31 determined, calculated and fixed by the county assessors of the  
32 respective counties, within the limitations provided by law, upon the  
33 assessed valuation of the property of the taxing districts  
34 respectively.

35 When a county assessor finds that the aggregate rate of tax levy on  
36 any property, that is subject to the limitations set forth in RCW  
37 84.52.043 or 84.52.050, exceeds the limitations provided in either of

1 these sections, the assessor shall recompute and establish a  
2 consolidated levy in the following manner:

3 (1) The full certified rates of tax levy for state, county, county  
4 road district, and city or town purposes shall be extended on the tax  
5 rolls in amounts not exceeding the limitations established by law;  
6 however any state levy shall take precedence over all other levies and  
7 shall not be reduced for any purpose other than that required by RCW  
8 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,  
9 84.34.230, the portion of the levy by a metropolitan park district that  
10 was protected under RCW 84.52.120, and 84.52.105, the combined rate of  
11 regular property tax levies that are subject to the one percent  
12 limitation exceeds one percent of the true and fair value of any  
13 property, then these levies shall be reduced as follows: (a) The  
14 portion of the levy by a metropolitan park district that is protected  
15 under RCW 84.52.120 shall be reduced until the combined rate no longer  
16 exceeds one percent of the true and fair value of any property or shall  
17 be eliminated; (b) if the combined rate of regular property tax levies  
18 that are subject to the one percent limitation still exceeds one  
19 percent of the true and fair value of any property, then the levies  
20 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy  
21 imposed under RCW 84.52.069 that is in excess of thirty cents per  
22 thousand dollars of assessed value, shall be reduced on a pro rata  
23 basis until the combined rate no longer exceeds one percent of the true  
24 and fair value of any property or shall be eliminated; and (c) if the  
25 combined rate of regular property tax levies that are subject to the  
26 one percent limitation still exceeds one percent of the true and fair  
27 value of any property, then the thirty cents per thousand dollars of  
28 assessed value of tax levy imposed under RCW 84.52.069 shall be reduced  
29 until the combined rate no longer exceeds one percent of the true and  
30 fair value of any property or eliminated.

31 (2) The certified rates of tax levy subject to these limitations by  
32 all junior taxing districts imposing taxes on such property shall be  
33 reduced or eliminated as follows to bring the consolidated levy of  
34 taxes on such property within the provisions of these limitations:

35 (a) First, the certified property tax levy rates of those junior  
36 taxing districts authorized under RCW 36.68.525, 36.69.145, and  
37 67.38.130 shall be reduced on a pro rata basis or eliminated;

1 (b) Second, if the consolidated tax levy rate still exceeds these  
2 limitations, the certified property tax levy rates of flood control  
3 zone districts shall be reduced on a pro rata basis or eliminated;

4 (c) Third, if the consolidated tax levy rate still exceeds these  
5 limitations, the certified property tax levy rates of all other junior  
6 taxing districts, other than fire protection districts, library  
7 districts, the first fifty cent per thousand dollars of assessed  
8 valuation levies for metropolitan park districts, and the first fifty  
9 cent per thousand dollars of assessed valuation levies for public  
10 hospital districts, shall be reduced on a pro rata basis or eliminated;

11 (d) Fourth, if the consolidated tax levy rate still exceeds these  
12 limitations, the certified property tax levy rates authorized to fire  
13 protection districts under RCW 52.16.140 and 52.16.160 shall be reduced  
14 on a pro rata basis or eliminated; and

15 (e) Fifth, if the consolidated tax levy rate still exceeds these  
16 limitations, the certified property tax levy rates authorized for fire  
17 protection districts under RCW 52.16.130, library districts,  
18 metropolitan park districts under their first fifty cent per thousand  
19 dollars of assessed valuation levy, and public hospital districts under  
20 their first fifty cent per thousand dollars of assessed valuation levy,  
21 shall be reduced on a pro rata basis or eliminated.

22 In determining whether the aggregate rate of tax levy on any  
23 property, that is subject to the limitations set forth in RCW  
24 84.52.050, exceeds the limitations provided in that section, the  
25 assessor shall use the hypothetical state levy, as apportioned to the  
26 county under RCW 84.48.080, that was computed under RCW 84.48.080  
27 without regard to the reduction under RCW 84.55.012 or section 2,  
28 chapter ---, Laws of 1999 (section 2 of this act).

29 NEW SECTION. Sec. 6. (1) The definitions in this subsection apply  
30 throughout this chapter unless the context clearly requires otherwise.

31 (a) "Open space" means any land area, the preservation of which in  
32 its natural state or present use would: (i) Conserve and enhance  
33 natural or scenic resources, including habitat for plant, fish, or  
34 animal wildlife; (ii) promote conservation of wetlands; (iii) enhance  
35 the value to the public of abutting or neighboring parks, forests,  
36 wildlife preserves, nature reservations or sanctuaries, or other open  
37 space; or (iv) provide tracts of land situated in an urban area and  
38 open to public use.

(b) "Real property" means real property as defined in RCW 84.04.090.

(c) "Reservation of property" means to require a property owner to:

(i) Leave property in a natural state;

(ii) Remove property from use that was allowable prior to the reservation of property; or

(iii) Limit the use of property so as to provide open space or wildlife habitat.

(2) The definitions in RCW 8.26.020 apply to this chapter.

NEW SECTION. **Sec. 7.** The people find that reservation of property for plant or wildlife habitat and open space is for the benefit of the public. Therefore, the public should bear the primary burden of providing such property reservations.

The state or a local government agency shall use existing acquisition procedures as authorized and prescribed in RCW 8.26.180, when requiring the reservation of any part of a person's real property for open space.

Every reasonable effort must be made to acquire expeditiously real property by negotiation in a manner that is most cost-effective to the acquiring agency. The negotiation may include an offer of one or more of the following elements: Trading surplus property owned by the state or local government; modifying the density or intensity of use of other property owned by the property owner; adjusting land development or permit standards, such as clustering or variance; purchase of development rights; purchase of conservation easements; and other compensation measures not otherwise restricted by law.

NEW SECTION. **Sec. 8.** If the state or a local public agency requires a person to leave any part of real property in its natural state or to enhance the person's property to provide open space, the property value for property tax purposes for the property shall be based on a current use assessment of the property as provided in chapter 84.34 RCW, if so requested by the property owner.

NEW SECTION. **Sec. 9.** Donation of property is not prohibited under this chapter. A person whose real property is being acquired in accordance with this chapter may, after the person has been fully informed of his or her right to receive just compensation for the

1 property, donate the property, any part of or interest in the property,  
2 or any compensation paid for the property to any agency as the person  
3 determines.

4 NEW SECTION. **Sec. 10.** Sections 6 through 9 of this act constitute  
5 a new chapter in Title 8 RCW.

6 NEW SECTION. **Sec. 11.** If any provision of this act or its  
7 application to any person or circumstance is held invalid, the  
8 remainder of the act or the application of the provision to other  
9 persons or circumstances is not affected.

10 NEW SECTION. **Sec. 12.** This act is necessary for the immediate  
11 preservation of the public peace, health, or safety, or support of the  
12 state government and its existing public institutions, and takes effect  
13 immediately.

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